

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1167 – SB 1172

April 8, 2015

**SUMMARY OF ORIGINAL BILL:** Requires liquefied natural gas (LNG) motor fuel to be sold in diesel equivalents of 6.060 pounds; compressed natural gas (CNG) motor fuel sold in either gasoline gallon equivalents of 5.660 pounds or diesel gallon equivalents of 6.380 pounds. Requires a gasoline gallon equivalent unit of CNG that is supplied to a natural gas dispenser from liquefied natural gas that is stored on-site at the fueling station be set at 5.370 pounds and a diesel gallon equivalent of CNG be set at 6.060 pounds. Requires such measures meet standards set by the National Conference on Weights and Measures.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (005866):** Deletes all language after the enacting clause. Requires liquefied natural motor fuel to be sold in diesel gallon equivalents; and compressed natural gas motor fuel to be sold in gasoline gallon equivalents or diesel gallon equivalents. Requires the Commissioner of the Department of Agriculture to promulgate rules as necessary to establish conversion units from mass to gasoline gallon equivalents and from mass to diesel gallon equivalents. Requires rules to be promulgated in accordance with the Uniform Administrative Procedures Act.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to the Department of Agriculture (DOA), this bill will relieve the department from regulating the sale of LNG motor fuels and CNG motor fuels in numerous manners.
- DOA reports that no additional funds will be required based on the methods of sale proposed.
- Any other fiscal impact as a result of this bill as amended will be borne by private entities.

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## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

### **Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- The industry for LNG motor fuel and CNG motor fuel is still a fairly new industry.
- Given that the proposed measures will have to comply with the National Conference on Weights and Measures; it is presumed that the measures proposed in this bill are industry standards, or are becoming industry standards, for which participants in the industry have already accounted for, or are accounting for currently. As a result, any impact to commerce is estimated to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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